

Bill #12 of 2023

CITY OF MEADVILLE
Crawford County, Pennsylvania
ORDINANCE NO. 3818

AN ORDINANCE INCREASING THE INDEBTEDNESS OF CITY OF MEADVILLE, CRAWFORD COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$40,000 FOR THE PURPOSE OF PURCHASING TWO HEART MONITORS FOR EMS SERVICE; FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTE; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENTS; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of City of Meadville, Crawford County, Pennsylvania (the "City") be increased for the purpose of funding the purchase of two (2) heart monitors for the EMS service (the "Equipment"), and costs associated with the issuance of the indebtedness; and

WHEREAS, the City has received preliminary realistic cost estimates from vendors indicating the sum of \$40,000.00 will be needed to purchase the Equipment; and

WHEREAS, the proposed increase of debt, together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the City's debt incurring power, pursuant to constitutional and statutory authority to be exceeded.

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the City Council of City of Meadville, Crawford County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. The aggregate principal amount of the Note of the City proposed to be issued is \$40,000.00, the same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.

SECTION 2. The period of useful life of the improvements for which this obligation is to be issued is estimated to be in excess of five (5) years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$40,000.00, dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of 1978 Session and known as the Local Government Unit Debt Act, at a taxable

fixed rate of interest of 2% over the 48-month CD rate fixed for forty-eight (48) months, which currently equates to 5.7% until the maturity date, which Note shall mature in monthly installments as set forth on the attached Exhibit B.

The City reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payments dates thereof, without notice or penalty. The principal and interest of said Note shall be payable at the office of the sinking fund depository selected for the Note as hereinafter provided.

From and after the date of any default under this Note, and after the Maturity Date, this Note shall bear interest at a rate per annum equal to the sum of the interest rate then in effect plus three percent (3%) (the "Default Rate"), until payment in full of this Note.

The Interest Rate shall be calculated based on a 360-day year and the actual number of days elapsed in any interest period.

SECTION 4. The said Note is hereby declared to be a general obligation of the City. The City hereby covenants that it shall include the amount of debt service on the Note for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid the principal of the Note and the interest thereon at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of the interest rates set forth on the attached Exhibit B.

SECTION 5. The form of said Note shall be substantially as set forth in the attached Exhibit A.

SECTION 6. The said Note shall be executed in the name and under the corporate seal of the City by the Mayor and City Manager and attested to by the City Controller. The City Manager is hereby authorized and directed to deliver said Note to the purchaser and receive payment therefor on behalf of the City. The Mayor and Interim City Clerk of the local government unit are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act and to take other necessary action, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 7. Marquette Savings Bank is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as "Sinking Fund 2023 General Obligation Note" for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are

due, without further action by the City, withdraw available monies in the Sinking Fund and apply said monies to payment of principal and interest on the obligation.

SECTION 8. The Mayor, Controller and Interim City Clerk of the City are hereby authorized to contract with Marquette Savings Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 9. In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best financial interest of the local government unit. Therefore, the general obligation Note in the amount of \$40,000.00, herein authorized to be issued and sold is hereby awarded and sold to Marquette Savings Bank in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to Marquette Savings Bank and is in the form set forth in this Ordinance as Exhibit A; and further provided that the proceedings have been approved by the Department of Community and Economic Development, if such approval is required under the provisions of the Act.

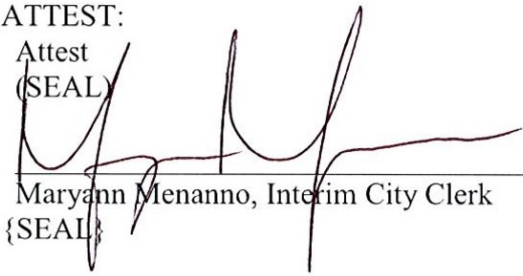
SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Meadville Tribune, a newspaper of general circulation, is ratified and confirmed. The advertisement in said paper of the enactment of the ordinance is hereby directed within fifteen (15) days following the day of final enactment.

SECTION 11. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 17th day of October, 2023.

ATTEST:

Attest
(SEAL)


Maryann Menanno, Interim City Clerk

{SEAL}

CITY OF MEADVILLE


Jaime Kinder, Mayor

EXHIBIT A

CITY OF MEADVILLE
CRAWFORD COUNTY
COMMONWEALTH OF PENNSYLVANIA
GENERAL OBLIGATION NOTE, SERIES OF 2023

MATURITY DATE

ORIGINAL ISSUE DATE

_____, 2023

REGISTERED OWNER: Marquette Savings Bank

PRINCIPAL SUM: FORTY THOUSAND AND 00/100 DOLLARS (\$40,000)

The City of Meadville, Crawford County, Pennsylvania, a municipal corporation and a City of the Commonwealth of Pennsylvania (the "City"), for value received, hereby acknowledges itself indebted and promises to pay, as a General Obligation of the City, to the registered owner hereof, the principal sum stated above, in monthly equal installments in the amount of \$ _____ each, together with interest on the outstanding principal balance hereof from the issue date hereof at the applicable interest rate per annum stated below, payable on the fifteenth (15th) day of each month, beginning _____, 2023, until the principal amount hereof shall have been fully paid and until the maturity date hereof.

The principal of, and the interest on this Note, shall be payable at the designated office of Marquette Savings Bank, or at the designated office of any successor paying agent (the "Paying Agent"), and is payable, in any coin or currency of the United States of America which, at time of payment, is legal tender for payment of public and private debts. Interest on this Note will be paid by check or draft mailed to the person in whose name this Note is registered at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date, on the registration books of the City maintained by the Paying Agent, as Note registrar, at the address appearing thereon.

This Note shall bear interest as follows (as applicable, the "Interest Rate"):

Taxable Rate. Interest on the Note shall accrue at the rate of two percent (2%) over the forty-eight (48) CD rate fixed for forty-eight (48) months.

Default Rate. From and after the date of any default under this Note, and after the Maturity Date, this Note shall bear interest at a rate per annum equal to the sum of the Interest Rate then in effect plus three percent (3%) (the "Default Rate"), until payment in full of this Note.

The Interest Rate shall be calculated based on a 360-day year and the actual number of days elapsed in any interest period.

All payments under this Note will be applied first to interest with the balance applied to principal.

This Note is fully registered as to principal and interest and designated as “City of Meadville General Obligation Note, Series of 2023.” This Note is a current interest Note. This Note is issued pursuant to an Ordinance dated as of October 17, 2023 (the “Ordinance”), duly enacted and ordained by the City. This Note is issued in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, Act No. 177 of 1996, approved December 19, 1996, as amended (the “Act”). This Note is issued to fund the purchase of two (2) heart monitors for the City’s Emergency Medical Service (the “Project”).

The City will maintain its primary deposit relationship and cash management services with the Bank for the life of the Loan. The City will be required to maintain one year of debt service in a sinking fund or equivalent account at the Bank during the life of the Loan.

Subject to the terms and conditions of this Note, the City may prepay the principal balance of this Note, in whole or in part, at any time without penalty.

This Note is subject to redemption prior to maturity at the option of the City in whole or in part at any time, at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued interest thereon, to the date fixed for redemption.

This Note is a General Obligation of the City. The City hereby covenants with the holders from time to time of this Note that the City shall include the amount of the debt service payable on this Note, for each fiscal year in which such sums are payable, in its budget for that year, shall appropriate such amounts to the payment of such debt service, and shall duly and punctually pay or cause to be paid the principal of this Note, and the interest thereon, at the dates and places and in the manner stated herein, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the City pledges a 48-month Certificate of Deposit, in an amount not less than Forty Thousand Dollars (\$40,000) held at the Bank. This covenant shall be specifically enforceable. Nothing in this paragraph shall be construed to give the City any taxing power not granted by another provision of law.

This Note is payable in such coin or currency as at the respective dates of payment thereof shall be legal tender for the payment of public and private debts, at the designated office of the Paying Agent, or at the designated office of any successor paying agent.

It is hereby certified that all acts, conditions and things required to be or be done, happen or be performed precedent to and in the issuance of this Note or in the creation of the debt of which they are evidence have been done, happened and been performed in regular and due form and manner as required by law and that this Note together with all other indebtedness of the City is not in excess of any constitutional or statutory limitations.

Proceedings relating to the issuance of this Note by the City have been approved by the Department of Community and Economic Development of the Commonwealth of Pennsylvania under the provisions of the Act.

As declared by the Act and subject to the provisions for registration of this Note endorsed hereon, this Note has all the qualities and incidents of a negotiable instrument under the laws of the Commonwealth of Pennsylvania, and is issued with the intent that the laws of said Commonwealth shall govern its construction.

In case of default by the City in the payment of the principal of, or interest on the Note, or in the performance of any of the covenants of the City contained in the Ordinance, the owner of this Note shall have such remedies as are provided by the Ordinance and the Constitution and laws of the Commonwealth of Pennsylvania.

This Note shall be registered as to principal and interest on the books of the City to be kept for that purpose at the office of the Paying Agent and such registration shall be noted hereon. No transfer of this Note shall be valid unless made at said office by the registered owner in person or by his duly authorized attorney and similarly noted hereon. The City and the Paying Agent may treat the registered owner as the absolute owner hereof for the payment of the principal, premium, if any, and interest on this Note and shall not be affected by any notice to the contrary.

Upon request, for so long as this Note shall remain outstanding, the City shall, at its expense, deliver to the registered owner hereof the City's current financial statements, income statements, balance sheets, and such other information as the registered owner may require, including but not limited to the City's audited fiscal year-end financial statements, to be received no later than October 31 following each fiscal year end, and the City's approved budget, annually within 30 days of approval. The City shall permit the registered owner access to all related financial records at reasonable times.

No recourse shall be had for the payment of the principal, or redemption price for, or the interest on, the Note or for any claim based hereon, against any past, present or future Councilmember, officer or employee of the City, or of any predecessor or successor corporation, as such, either directly or otherwise, by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof, and as a material part of the consideration for the issue hereof, expressly waived and released.

CONFESSION OF JUDGMENT. UPON AN EVENT OF DEFAULT, THE CITY DOES HEREBY EMPOWER ANY ATTORNEY OF ANY COURT OF RECORD WITHIN THE COMMONWEALTH OF PENNSYLVANIA, TO APPEAR FOR THE CITY AND, WITH OR WITHOUT A COMPLAINT OR DECLARATION FILED, WAIVE THE ISSUING AND SERVICE OF PROCESS AND TO CONFESS A JUDGMENT OR JUDGMENTS AGAINST THE CITY IN FAVOR OF THE REGISTERED OWNER OR ITS SUCCESSORS OR ASSIGNS, AS OF ANY TERM OR TERMS, IN ANY COURT OF RECORD WITHIN THE UNITED STATES OF AMERICA, OR ELSEWHERE, FOR THE UNPAID PRINCIPAL BALANCE HEREOF, AND ALL INTEREST HEREOF, TOGETHER WITH COSTS OF SUIT. THE AUTHORITY AND POWER TO APPEAR FOR AND ENTER JUDGMENT AGAINST THE CITY SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF, AND MAY BE EXERCISED FROM TIME TO TIME AND AS OFTEN AS THE REGISTERED OWNER OR ITS SUCCESSORS OR ASSIGNS SHALL DEEM NECESSARY OR DESIRABLE. ANY SUCH JUDGMENT SHALL BE FULLY ENFORCEABLE UP TO THE AMOUNT DUE FROM THE CITY AT THE TIME

ENFORCEMENT OF THE JUDGMENT IS SOUGHT, PLUS AN ATTORNEY'S COMMISSION OF TEN PERCENT (10%) OF THE AMOUNT TO BE COLLECTED PRIOR TO ASSESSING ATTORNEY'S FEES, WHICH THE CITY AGREES ARE REASONABLE ATTORNEYS' FEES FOR COLLECTION. THE CITY HEREBY FOREVER WAIVES AND RELEASES ANY AND ALL ERRORS IN SAID PROCEEDINGS, WAIVES STAY OF EXECUTION, STAY, CONTINUANCE OR ADJOURNMENT OF SALE ON EXECUTION, THE RIGHT TO PETITION TO SET ASIDE OR ORDER A RESALE, THE RIGHT TO EXCEPT TO THE SHERIFF'S SCHEDULE OF PROPOSED DISTRIBUTION, THE RIGHT OF INQUISITION AND EXTENSION OF TIME OF PAYMENT, AND AGREES TO CONDEMNATION OF ANY PROPERTY LEVIED UPON BY VIRTUE OF ANY EXECUTION ISSUED ON ANY SUCH JUDGMENT, AND THE CITY SPECIFICALLY WAIVES ALL EXEMPTIONS FROM LEVY AND SALE OF ANY PROPERTY THAT NOW IS OR MAY HEREAFTER BE EXEMPT UNDER ANY EXISTING OR FUTURE LAWS OF THE UNITED STATES OF AMERICA OR THE COMMONWEALTH OF PENNSYLVANIA OR OF ANY OTHER JURISDICTION. A COPY OF THIS NOTE, CERTIFIED BY THE REGISTERED OWNER, MAY BE FILED IN EACH SUCH PROCEEDING IN PLACE OF FILING THE ORIGINAL AS A WARRANT OF ATTORNEY.

WAIVER OF JURY TRIAL. THE CITY IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE CITY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY OTHER LOAN DOCUMENT, OR ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE CITY ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY. THE CITY ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED BY COUNSEL OR GIVEN THE OPPORTUNITY TO CONSULT WITH COUNSEL IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS NOTE, THAT IT IS AWARE OF AND UNDERSTANDS ALL OF THE PROVISIONS OF THIS NOTE INCLUDING THE ABOVE PROVISIONS FOR CONFESSION OF JUDGMENT AND THE WAIVER OF JURY TRIAL.

This Note and the right and obligations of the parties under this Note shall be governed by and interpreted and enforced in accordance with the substantive laws of the Commonwealth of Pennsylvania, without regard to any conflicts of laws, rules, or principles that might refer the governance or construction to any other jurisdiction.

The City (a) waives presentment, notices of dishonor, protest of dishonor, and notice of protest; (b) except as specifically required herein, waives all notices in connection with the performance, default, or enforcement or collection of this Note; (c) waives any and all lack of diligence and delays in the enforcement or collection of the Note; and (d) agrees that the liability of the City shall be unconditional and without regard to the liability of any other person or entity, and shall not in any manner be affected by any indulgence or forbearance granted or consented to by the Registered Owner.

The headings of sections and paragraphs in this Note are for convenience of reference only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions of this Note. If any provision of this Note, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstances, is adjudicated to be invalid or unenforceable, the validity or enforceability of the remainder of this Note shall be construed as if such invalid or unenforceable part were never included. Time is of the essence of this Note.

No provision of this Note shall require the payment or permit the collection of any amount ("**Excess Interest**") in excess of the maximum amount of interest permitted by law. If any Excess Interest is provided for, or is adjudicated to be provided for, in this Note or any of the Loan documents, then in such event (a)

the provisions of this paragraph shall govern and control; (b) the City shall not be obligated to pay any Excess Interest; (c) any Excess Interest that the Registered Owner may have received shall be applied as a credit against the then outstanding principal balance of the Loan or refunded to the the City; (d) the applicable interest rate shall be automatically subject to reduction to the maximum lawful contract rate allowed under the applicable usury laws of the Commonwealth, and this Note shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the applicable interest rate; and (e) the City shall not have any action against the Registered Owner for any damages whatsoever arising out of the payment or collection of Excess Interest.

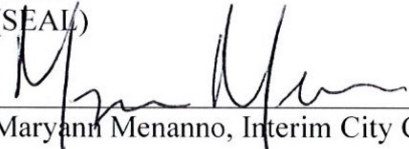
Upon any endorsement, assignment, or other transfer of this Note by the Registered Owner or by operation of law, the term "**Registered Owner**" shall mean such endorsee, assignee, or other transferee or successor to Registered Owner then becoming the holder of this Note.

Registered Owner shall not be deemed to have waived any rights under this Note unless such waiver is given in writing and signed by the Registered Owner. Notwithstanding any provision in this Note to the contrary, this Note may be modified only by mutual written consent of the Registered Owner and the City.

This Note shall not be entitled to any payment of principal or interest or become valid for any purpose until the certification of authentication hereon has been signed by the Paying Agent.


IN WITNESS WHEREOF, the City of Meadville has caused this Note to be executed in its name by the Mayor of the City, its corporate seal to be affixed hereto and attested by the signature of the City Clerk and approved by the City Controller.

Attest
(SEAL)


Maryann Menanno, Interim City Clerk


Jamie Kinder, Mayor

APPROVED


Diana Dederick, City Controller